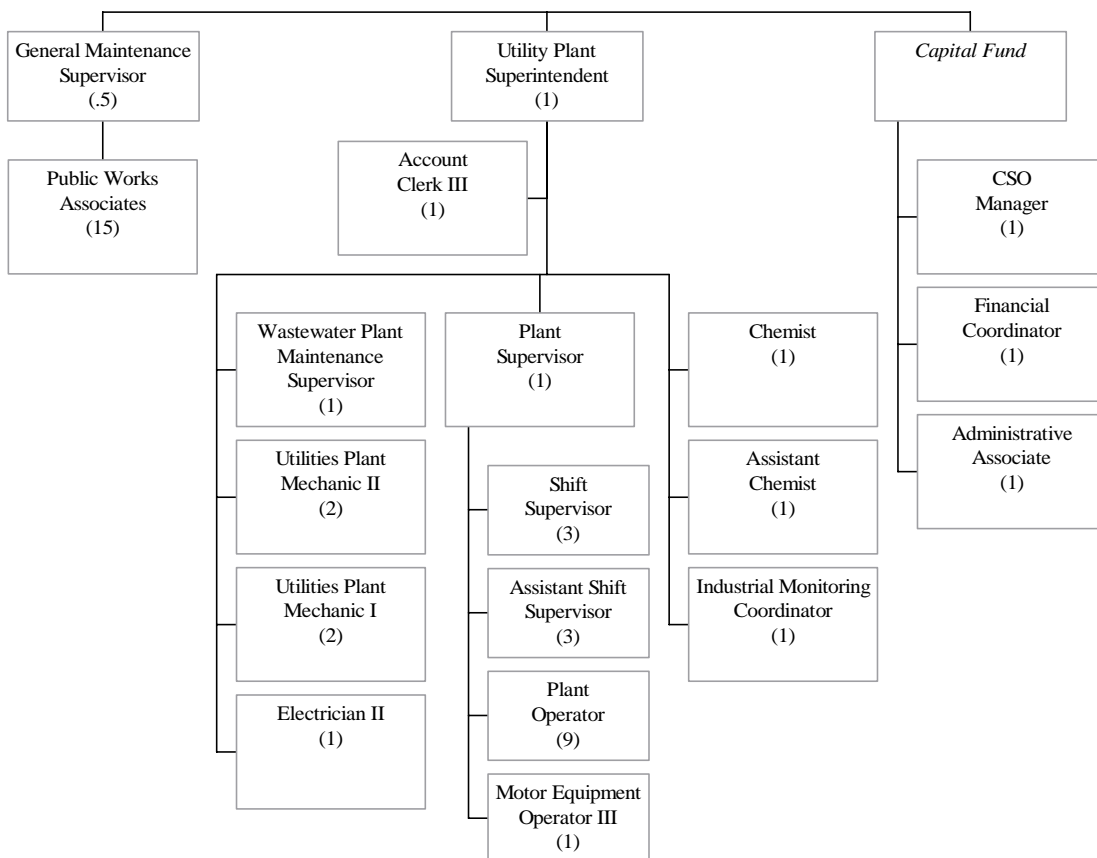


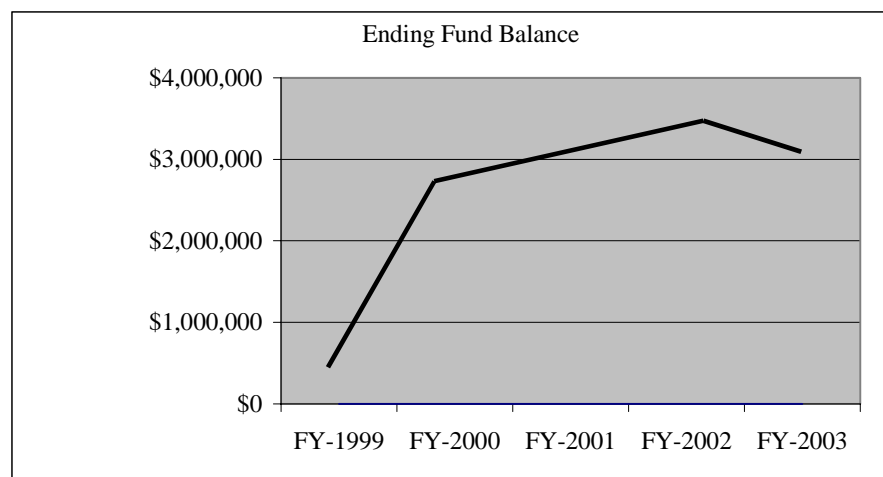
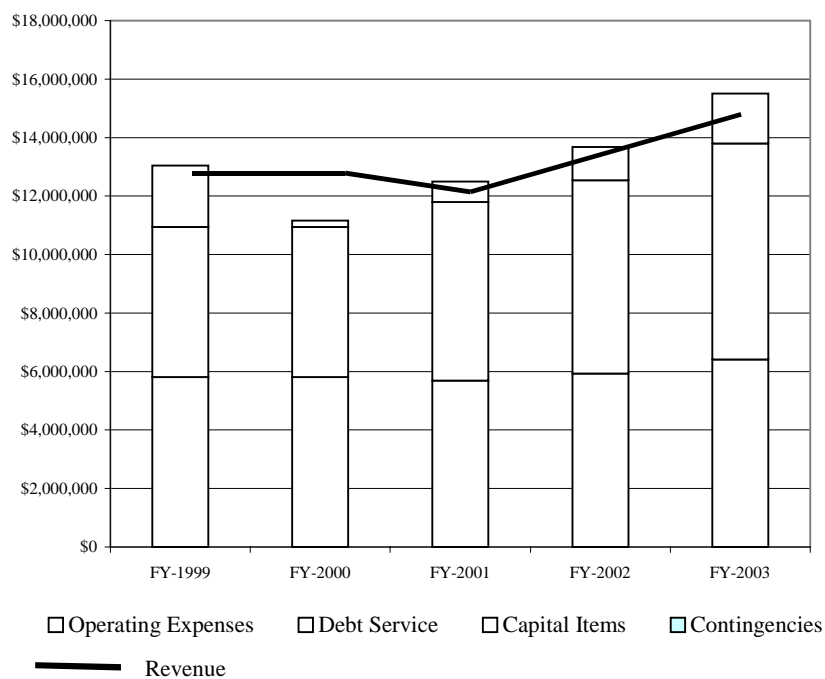
Sewer Fund

Position Summary
46.5 City Funded Positions
46.5 Total Positions



Sewer Fund Description

The Public Works Department operates a regional wastewater treatment plant that can treat up to 22 million gallons a day of domestic and industrial wastewater. Wastewater is treated to Federal and State water quality standards before being discharged into the James River. Wastewater service is provided to approximately 80% of the citizens and businesses in Lynchburg. Service is also provided to parts of Amherst, Bedford and Campbell Counties through wholesale contract agreements. The Public Works Department also cleans monitors and repairs the wastewater collection system, including an extensive network of sanitary and combined sanitary/storm drains. The City built its original combined sewer system at the turn of the century and is now renovating it to meet new federal and state standards.

Revenues & Expenses

Enterprise Fund**Sewer Fund***Sewer Fund Summary*

	Actual FY 2000	Actual FY 2001	Adopted FY 2002	Proposed FY 2003	Adopted FY 2003
Beginning Funds	\$719,537	\$2,837,218	\$1,352,664	\$3,498,384	\$3,498,384
Revenues:					
Charges for Services	\$10,052,326	\$10,147,441	\$11,456,111	\$11,813,896	\$11,813,896
Sewer Contracts	3,084,252	2,574,809	3,002,833	3,068,765	3,068,765
Interest & Other	146,904	196,248	217,000	211,345	211,345
	\$13,283,482	\$12,918,498	\$14,675,944	\$15,094,006	\$15,094,006
Expenses:					
Operating -Departmental	\$4,196,665	\$3,910,116	\$4,069,792	\$4,471,105	\$4,481,868
Operating -Non-Departmental	1,616,820	1,787,081	1,993,868	1,954,786	1,933,361
Debt Service	5,132,839	6,103,078	6,639,406	7,385,274	7,385,274
Capital Purchases & Transfers	219,477	697,350	1,521,266	1,708,651	1,708,651
Contingencies	0	0	150,000	0	0
	\$11,165,801	\$12,497,625	\$14,374,332	\$15,519,816	\$15,509,154
Ending Funds	\$2,837,218	\$3,258,091	\$1,654,276	\$3,072,574	\$3,083,236

Key Ratios:

Ending Funds as a % of fund

Expenses - 20% target	25%	26%	12%	20%	20%
Debt Coverage - 1.2 target	1.46	1.18	1.27	1.17	1.18

Sewer Fund Revenue Summary

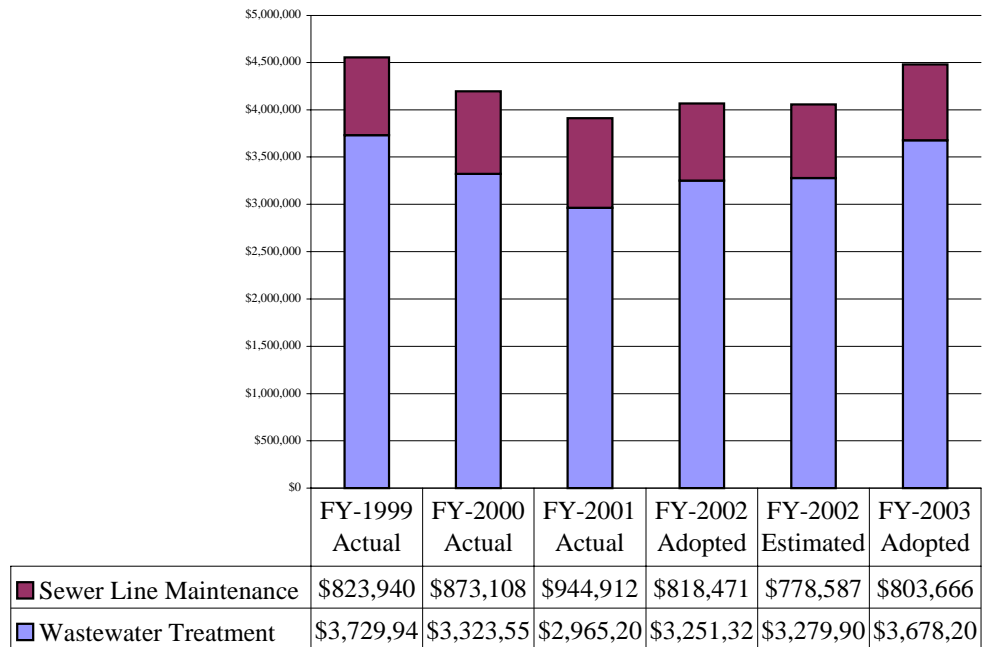
	Actual FY 2001	Adopted FY 2002	Estimated FY 2003	Proposed FY 2003	Adopted FY 2003
Charges for Services:					
Retail Volume Charges	\$8,960,583	\$10,271,839	\$9,570,704	\$10,588,864	\$10,588,864
Meter Charges	416,784	412,512	418,784	420,784	420,784
Septic Hauler Charges	314,063	322,984	326,626	339,691	339,691
Sewer backwash charge	100,000	104,000	100,000	104,000	104,000
Leachate Treatment	0	50,000	50,000	52,000	52,000
Industrial Surcharges	14,408	52,000	52,539	54,115	54,115
Industrial Monitoring Charges	51,009	25,750	14,984	15,584	15,584
Availability/Connection	285,361	208,433	214,843	233,289	233,289
All Others	5,233	8,593	5,408	5,569	5,569
TOTAL	\$10,147,441	\$11,456,111	\$10,753,888	\$11,813,896	\$11,813,896
Sewer Contracts					
Amherst	\$354,898	\$347,919	\$331,075	\$328,621	\$328,621
Bedford	49,114	297,366	483,065	273,658	273,658
Campbell	187,754	212,906	185,602	191,064	191,064
Industrial	1,983,043	2,144,642	1,954,500	2,275,422	2,275,422
TOTAL	\$2,574,809	\$3,002,833	\$2,954,242	\$3,068,765	\$3,068,765
Interest & Other:					
Interest	\$142,155	\$177,712	\$169,441	\$167,745	\$167,745
State Highway Maintenance	38,500	38,500	38,500	38,500	38,500
All Other	15,593	788	5,000	5,100	5,100
TOTAL	\$196,248	\$217,000	\$212,941	\$211,345	\$211,345
TOTAL	\$12,918,498	\$14,675,944	\$13,921,071	\$15,094,006	\$15,094,006

Enterprise Fund**Sewer Fund***Sewer Fund Expenditure Summary*

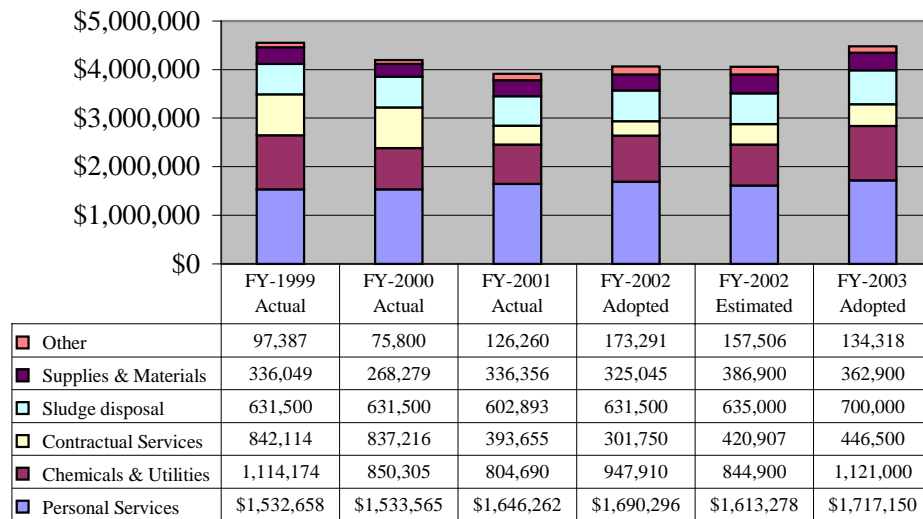
	Actual FY 2001	Adopted FY 2002	Estimated FY 2003	Proposed FY 2003	Adopted FY 2003
Departmental:					
Personal Services	\$ 1,219,601	\$ 1,291,104	\$ 1,227,135	\$ 1,306,067	\$ 1,322,615
Fringe Benefits	426,661	399,192	386,143	400,320	394,535
Supplies & Materials	336,356	325,045	386,900	362,900	362,900
Sludge Disposal - Landfill	602,893	631,500	635,000	700,000	700,000
Chemicals	312,404	488,770	357,000	566,000	566,000
Gasoline / Fuel	23,503	21,000	24,100	24,141	24,141
Internal Service Charges	74,974	102,000	105,006	77,377	77,377
Rentals & Leases	12,885	3,500	3,100	3,200	3,200
Utilities	492,286	459,140	487,900	555,000	555,000
Building & Grounds	5,540	11,049	8,700	9,500	9,500
Contractual Services (a)	393,655	301,750	420,907	446,500	446,500
Training & Meetings	4,088	13,000	10,000	13,000	13,000
Miscellaneous	5,270	22,742	6,600	7,100	7,100
TOTAL	\$ 3,910,116	\$ 4,069,792	\$ 4,058,491	\$ 4,471,105	\$ 4,481,868
Non-Departmental:					
General Fund Payments	\$953,935	\$953,935	\$953,935	\$1,056,665	\$1,056,665
Water Fund Payments	343,724	460,000	460,000	460,000	460,000
Self Insurance	52,475	54,050	54,050	99,517	99,517
Retirees Health Insurance	54,381	54,302	54,302	49,835	41,696
Financial Audit	21,000	21,000	21,000	21,000	21,000
Estimated Uncollectable Accounts	46,741	20,004	60,000	60,000	60,000
Financial Services	57,031	61,800	61,800	61,800	61,800
Banking Services	3,417	5,390	5,390	5,390	5,390
Legal & Professional	138,810	183,600	100,000	100,000	100,000
GIS Related	102,816	91,800	91,800	0	0
Compensation Plan Adjustment	0	44,778	0	0	9,084
Partners in Emergency Response	0	37,500	12,500	12,500	12,500
All Other	12,751	5,709	5,709	5,709	5,709
TOTAL	\$1,787,081	\$1,993,868	\$1,880,486	\$1,932,416	\$1,933,361
Capital Purchases and Transfers:					
Transfer to Sewer Capital Fund	\$525,000	\$1,250,000	\$700,000	\$1,250,000	\$1,250,000
Transfer to City Fleet Fund	125,000	261,266	261,266	448,651	448,651
Transfer to General Fund	47,350	0	167,911	0	0
Capital Purchases	0	10,000	10,000	10,000	10,000
TOTAL	\$697,350	\$1,521,266	\$1,139,177	\$1,708,651	\$1,708,651

Sewer Fund Departmental Expenses

By Division



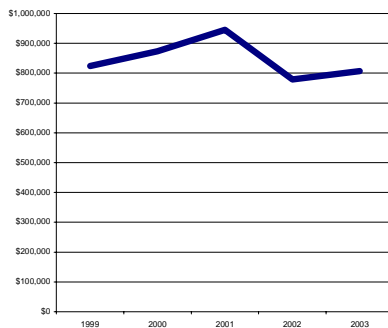
By Object Code



Sewer Line Maintenance Operating Expenses

By Object Code:	Actual FY 2001	Adopted FY 2002	Estimated FY 2003	Proposed FY 2003	Adopted FY 2003
Personal Services	\$473,407	\$413,805	\$385,862	\$419,352	\$419,716
Fringe Benefits	163,073	129,716	126,619	133,399	130,381
Supplies & Materials	102,782	95,200	100,200	105,700	105,700
Gasoline / Fuel	17,133	17,000	17,600	18,948	18,948
Internal Service Charges	68,307	94,000	90,006	65,321	65,321
Rentals & Leases	10,672	1,500	1,000	1,000	1,000
Utilities	2,403	3,000	3,000	3,000	3,000
Buildings & Grounds	17	500	500	500	500
Contractual Services	103,832	53,650	50,200	55,000	55,000
Training & Meetings	2,780	3,000	2,500	3,000	3,000
Miscellaneous	506	7,100	1,100	1,100	1,100
	<u>\$944,912</u>	<u>\$818,471</u>	<u>\$778,587</u>	<u>\$806,320</u>	<u>\$803,666</u>

Five Year Trend Data



FY 2003 Activity Cost

Inspect & CleanLines	\$200,917
Repair & Maintenance	241,100
Install & Maintain Services	104,477
Respond to Customers	72,330
Training & Meetings	80,367
Administration & Other	104,477
	<u>\$803,666</u>

Performance Data:

# of Authorized Staff Positions	18	15.5	15.5	15.5	15.5
# of Utility Cuts	49	200	200	200	200
# of Manholes / Line Repairs	134	150	150	150	150
LF of Lines TV Inspected	153,148	70,000	70,000	70,000	70,000
LF of Sewer Line Cleaned	210,300	200,000	200,000	200,000	200,000
# of Inlets Cleaned	2,855	2,800	2,800	2,800	2,800
# of Inlets Repaired	142	136	136	136	136
# of New Services Installed	159	100	100	100	100
# of Stormwater Facilities Maintained	0	0	7	10	10
# of CSO Outfalls Maintained	0	0	56	52	52
Snow Removal Hours	0	600	750	600	600

Sewer Line Maintenance Operating Budget Description

The Adopted FY2003 Sewer Line Maintenance budget of \$ 803,666 represents a 1.8 1 percent decrease of \$14,805 as compared to the Adopted FY2002 budget of \$818,471.

Significant changes introduced in the Requested FY2003 budget include:

- ◆ \$10,500 increase in Supplies & Materials is generated from additional work that is to be completed on the sewer lines
- ◆ \$1,948 increase in Gas/Diesel Fuel is due to inflation
- ◆ \$28,679 decrease in Internal Service charges is due to changes in the cost of fleet maintenance
- ◆ \$1,350 increase Contractual Services is based on historical data
- ◆ \$6,000 decrease in Miscellaneous is based on historical data

The Department requested \$806,320.

All major items requested were proposed for funding.

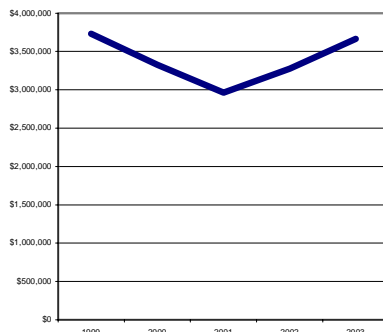
The Proposed FY2003 Sewer Line Maintenance budget was adopted with the following changes:

- ◆ \$364 increase in Personal Services reflecting a two percent general salary increase
- ◆ \$3,018 in Fringe Benefits reflecting a State instituted Life Insurance holiday

Wastewater Treatment Operating Expenses

By Object:	Actual FY 2001	Adopted FY 2002	Est. FY 2003	Proposed FY 2003	Adopted FY 2003
Personal Services	\$746,194	\$877,299	\$841,273	\$886,715	\$902,899
Fringe Benefits	263,588	269,476	259,524	266,921	264,154
Supplies & Materials	233,574	229,845	286,700	257,200	257,200
Sludge Disposal - Landfill	602,893	631,500	635,000	700,000	700,000
Chemicals	312,404	488,770	357,000	566,000	566,000
Gasoline/Diesel Fuel	6,370	4,000	6,500	5,193	5,193
Internal Service Charges	6,667	8,000	15,000	12,056	12,056
Rentals & Leases	2,213	2,000	2,100	2,200	2,200
Utilities	489,883	456,140	484,900	552,000	552,000
Buildings & Grounds	5,523	10,549	8,200	9,000	9,000
Contractual Services	289,823	248,100	370,707	391,500	391,500
Training & Meetings	1,308	10,000	7,500	10,000	10,000
Miscellaneous	4,764	15,642	5,500	6,000	6,000
	<u>\$2,965,204</u>	<u>\$3,251,321</u>	<u>\$3,279,904</u>	<u>\$3,664,785</u>	<u>\$3,678,202</u>

Five Year Trend Data



FY 2003 Activity Cost

Operate the Plant	\$979,750
Perform Solids Handling	1,726,638
Maintain the Plant	585,625
Lab Sampling & Analysis	185,341
Industrial Monitoring	45,925
Training & Meetings	56,802
Administration & Other	98,120
	<u>\$3,678,202</u>

Performance Data:

# of Authorized Staff Positions	30	30	30	29	29
Average Daily Flow in Managed	12.7	13.5	13.5	13.5	13.5
Average Daily BOD in Pounds	32,042	34,000	36,300	34000	34000
Average Daily TSS in Pounds	32,100	34,000	36,400	34000	34000
Sludge Landfilled in Tons	23,963	28,000	28,200	28000	28000
# of Pretreatment Inspections	25	28	30	28	28
# of Sur-Charge Samples	253	192	192	192	192
Total Cost / mg of Flow	\$639.67	\$659.83	\$665.63	\$743.74	\$746.46

Wastewater Treatment Operating Expenses Budget Description

The Adopted FY2003 Sewer Wastewater Treatment budget of \$ 3,678,202 represents a 13.13 percent increase of \$426,881 as compared to the Adopted FY2002 budget.

Significant changes introduced in the Requested FY2003 budget include:

- ◆ \$9,416 increase in Personal Services is due to the elimination of one position and adding additional, more realistic, overtime
- ◆ \$2,555 decrease in Fringe Benefits is due to the loss of a position
- ◆ \$27,355 increase in Supplies & Materials is due to budgeting in the appropriate category
- ◆ \$68,500 increase in Sludge Disposal is due to additional loading expenses incurred, primarily from Rock Tenn
- ◆ \$77,230 increase in Chemicals is due to getting the odor control project up and online
- ◆ \$1,193 increase in Gas/Diesel Fuel is based on historical usage
- ◆ \$4,056 increase in Internal Service charges is due to vehicle repairs at the City's shop
- ◆ \$95,860 increase in Utilities is due to getting the odor control project up and online
- ◆ \$1,549 decrease in Building & Grounds is based on historical data
- ◆ \$143,400 increase in Contractual Services is due to increases in the costs of HVAC, janitorial, and temporary personnel services
- ◆ \$9,642 decrease in Miscellaneous is due to the elimination of association membership and decreased dues

The Department requested \$3,664,785.

All major items requested were proposed for funding.

The Proposed FY2003 Sewer Wastewater Treatment budget was adopted with the following changes:

- ◆ \$16,184 increase in Personal Services reflecting a two percent general salary increase
- ◆ \$2,767 in Fringe Benefits reflecting a State instituted Life Insurance holiday